

**REPORT OF THE AUDIT OF THE
LIVINGSTON COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2003**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
www.kyauditor.net**

**105 SEA HERO ROAD, SUITE 2
FRANKFORT, KY 40601-5404
TELEPHONE (502) 573-0050
FACSIMILE (502) 573-0067**

EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE LIVINGSTON COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2003**

The Auditor of Public Accounts has completed the Livingston County Fiscal Court audit for fiscal year ended June 30, 2003. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

Financial Condition:

Cash balances increased by \$241,131 from the beginning of the year, resulting in a cash surplus of \$1,445,904 as of June 30, 2003.

Debt Obligations:

Capital lease principal agreements totaled \$28,000 as of June 30, 2003. Future principal and interest payments of \$30,424 are needed to meet these obligations.

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Ernie Fletcher, Governor

Robbie Rudolph, Secretary

Finance and Administration Cabinet

Honorable Christopher K. Lasher, Livingston County Judge/Executive

Members of the Livingston County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and equity arising from cash transactions of Livingston County, Kentucky, as of June 30, 2003, the statement of cash receipts, cash disbursements, and changes in cash balances - governmental fund type; the statement of cash receipts, cash disbursements, and changes in cash balances - proprietary fund type, and the related statement of cash flows - proprietary fund type for the year then ended. These financial statements are the responsibility of the Livingston County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Livingston County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and equity of Livingston County, Kentucky as of June 30, 2003, and its receipts and disbursements and the cash flows of its enterprise fund for the year then ended, in conformity with the modified cash basis of accounting.

To the People of Kentucky
Honorable Ernie Fletcher, Governor
Robbie Rudolph, Secretary
Finance and Administration Cabinet
Honorable Christopher K. Lasher, Livingston County Judge/Executive
Members of the Livingston County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 2004 on our consideration of Livingston County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Livingston County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

Audit fieldwork completed -
March 5, 2004

LIVINGSTON COUNTY OFFICIALS

For The Fiscal Year Ended June 30, 2003

Fiscal Court Members:

Christopher K. Lasher	County Judge/Executive
Terry Stringer	Magistrate
Ivus Crouch	Magistrate
Joe O'Bryan	Magistrate
William Deatherage	Magistrate

Other Elected Officials:

Billy Riley	County Attorney
Benjamin K. Guill	Jailer
Carroll D. Walker	County Clerk
Connie Myrick	Circuit Court Clerk
Tommy Williams	Sheriff
Sue Ann Carver	Property Valuation Administrator
Jeff Armstrong	Coroner

Appointed Personnel:

Tracie Belcher	County Treasurer
Tracy Mitchell	Occupational Tax Collector
Tana Doom	Finance Officer

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STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS

LIVINGSTON COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS

June 30, 2003

	<u>Governmental Fund Types</u>		<u>Enterprise Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Jail Canteen</u>	
<u>Assets and Other Resources</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,402,130	\$ 37,289	\$ 12,492	\$ 1,451,911
Total Assets	\$ 1,402,130	\$ 37,289	\$ 12,492	\$ 1,451,911
<u>Other Resources</u>				
Amounts to Be Provided in Future Years for:				
Capital Leases (Note 4)	\$ 28,000	\$	\$	\$ 28,000
Total Other Resources	\$ 28,000	\$ 0	\$ 0	\$ 28,000
Total Assets and Other Resources	\$ 1,430,130	\$ 37,289	\$ 12,492	\$ 1,479,911

The accompanying notes are an integral part of the financial statements.

LIVINGSTON COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND EQUITY ARISING FROM CASH TRANSACTIONS
June 30, 2003
(Continued)

	<u>Governmental Fund Types</u>		<u>Enterprise Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Jail Canteen</u>	
<u>Liabilities and Equity</u>				
<u>Liabilities</u>				
Capital Leases (Note 4)	\$ 28,000	\$	\$	\$ 28,000
Payroll Liabilities	<u>6,006</u>			<u>6,006</u>
Total Liabilities	<u>\$ 34,006</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,006</u>
<u>Equity</u>				
Retained Earnings	\$	\$	\$ 12,492	\$ 12,492
Fund Balances:				
Unreserved	<u>1,396,124</u>	<u>37,289</u>		<u>1,433,413</u>
Total Equity	<u>\$ 1,396,124</u>	<u>\$ 37,289</u>	<u>\$ 12,492</u>	<u>\$ 1,445,905</u>
Total Liabilities and Equity	<u>\$ 1,430,130</u>	<u>\$ 37,289</u>	<u>\$ 12,492</u>	<u>\$ 1,479,911</u>

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPE

LIVINGSTON COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPE

For The Fiscal Year Ended June 30, 2003

	General Fund Types			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 4,302,234	\$ 1,133,782	\$ 1,048,570	\$ 52,360
Other Financing Sources:				
Transfers In	437,102	89,922		305,500
Borrowed Money	20,000			
Kentucky Advance Revenue Program	406,000	406,000		
Total Cash Receipts	<u>\$ 5,165,336</u>	<u>\$ 1,629,704</u>	<u>\$ 1,048,570</u>	<u>\$ 357,860</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 4,077,749	\$ 819,543	\$ 1,071,466	\$ 352,669
Other Financing Uses:				
Capital Lease -				
Principal Paid	7,000	7,000		
Transfers Out	437,102	347,180	89,922	
Kentucky Advance Revenue Program Repaid	406,000	406,000		
Total Cash Disbursements	<u>\$ 4,927,851</u>	<u>\$ 1,579,723</u>	<u>\$ 1,161,388</u>	<u>\$ 352,669</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 237,485	\$ 49,981	\$ (112,818)	\$ 5,191
Cash Balance - July 1, 2002	<u>1,195,927</u>	<u>356,739</u>	<u>330,104</u>	<u>6,289</u>
Cash Balance - June 30, 2003	<u>\$ 1,433,412</u>	<u>\$ 406,720</u>	<u>\$ 217,286</u>	<u>\$ 11,480</u>

The accompanying notes are an integral part of the financial statements.

LIVINGSTON COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPE
 For The Fiscal Year Ended June 30, 2003
 (Continued)

General Fund Types			Special Revenue Fund Type	Capital Projects Fund Type
Local Government Economic Assistance Fund	Occupational Tax Fund	Kentucky Land Heritage Fund	911 Fund	Federal Grant Fund
\$ 339,322	\$ 1,588,885	\$ 1,800	\$ 60,644	\$ 76,871
20,000			41,680	
<u>\$ 359,322</u>	<u>\$ 1,588,885</u>	<u>\$ 1,800</u>	<u>\$ 102,324</u>	<u>\$ 76,871</u>
\$ 297,118	\$ 1,393,247	\$ 1,800	\$ 65,035	\$ 76,871
<u>\$ 297,118</u>	<u>\$ 1,393,247</u>	<u>\$ 1,800</u>	<u>\$ 65,035</u>	<u>\$ 76,871</u>
\$ 62,204	\$ 195,638	\$	\$ 37,289	\$
200,462	302,333			
<u>\$ 262,666</u>	<u>\$ 497,971</u>	<u>\$ 0</u>	<u>\$ 37,289</u>	<u>\$ 0</u>

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - PROPRIETARY FUND TYPE

LIVINGSTON COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES - PROPRIETARY FUND TYPE

For The Fiscal Year Ended June 30, 2003

	<u>Enterprise Fund Type</u>
<u>Cash Receipts</u>	<u>Jail Canteen Fund</u>
Receipts - Jail Canteen	\$ 11,021
Total Cash Receipts	\$ 11,021
 <u>Cash Disbursements</u>	
Expenditures - Jail Canteen	\$ 7,375
Total Cash Disbursements	\$ 7,375
Excess of Cash Receipts Over Cash Disbursements	\$ 3,646
Cash Balance - July 1, 2002	8,846
Cash Balance - June 30, 2003	\$ 12,492

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

LIVINGSTON COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For The Fiscal Year Ended June 30, 2003

	<u>Enterprise Fund Type</u>
	<u>Jail Canteen Fund</u>
Cash Flows From Operating Activities:	
Operating Income	<u>\$ 3,646</u>
Net Cash Provided By Operating Activities	<u>\$ 3,646</u>
Net Increase in Cash and Cash Equivalents	\$ 3,646
Cash and Cash Equivalents - July 1, 2002	<u>8,846</u>
Cash and Cash Equivalents - June 30, 2003	<u><u>\$ 12,492</u></u>

The accompanying notes are an integral part of the financial statements.

LIVINGSTON COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2003

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Livingston County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

Additional - Livingston County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Livingston County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Livingston County Fiscal Court's fund types, a definition of each, and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Livingston County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund, Occupational Tax Fund, and Kentucky Land Heritage Fund.

LIVINGSTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2003
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Livingston County Special Revenue Fund Type includes the 911 Fund.

4) Capital Projects Fund Type

Capital Projects Fund Type accounts for financial resources to be used for acquisition of major capital facilities. The Federal Grant Fund of the Fiscal Court is reported as a Capital Projects Fund Type.

5) Enterprise Fund Type

The Enterprise Fund Type is used to report an activity for which a fee is charged to external users for goods or services. The Livingston County Enterprise Fund Type includes the Jail Canteen Fund, which is maintained by the county jailer.

The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail canteen. Technical Audit Bulletin 93-002 provides additional accounting and expenditure guidance for acceptable jail canteen operations. All profit expenditures were for the benefit and/or recreation of the inmates.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Long-term receivables, long-term obligations and amounts to be provided in future years to retire debt are recorded in the financial statements. The amount to be provided in future years to retire debt is offset by any cash or cash equivalents held by the county in a bond or debt service fund.

LIVINGSTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2003
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Legal Compliance - Budget

The Livingston County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Formal budgets are not adopted for the Jail Canteen Fund. The Department for Local Government does not require this fund to be budgeted.

E. Cash and Investments

Cash includes amounts in bank accounts. The County considers certificate of deposits with a maturity date of three months or less when purchased to be cash equivalents.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the Livingston County Senior Citizens Center is considered a related organization of Livingston County Fiscal Court.

G. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based on these criteria, the Livingston-Crittenden Water District is considered a joint venture of the Livingston County Fiscal Court.

LIVINGSTON COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2003
 (Continued)

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system, which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 6.34 percent. Hazardous covered employees are required to contribute 8 percent of their salary to the plan. The county's contribution rate for hazardous employees was 16.28 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2003, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

Note 4. Capital Leases

A. Voting Machines

The county entered into a capital lease with the Kentucky Association of Counties Leasing Trust for voting machines on November 30, 1994, for \$62,000 at various interest rates. The principal outstanding as of June 30, 2003 was \$8,000. Future lease principal and interest requirements are:

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Scheduled</u> <u>Interest</u>	<u>Scheduled</u> <u>Principal</u>
2004	\$ 319	\$ 8,000
Totals	<u>\$ 319</u>	<u>\$ 8,000</u>

LIVINGSTON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2003
(Continued)

Note 4. Capital Leases (Continued)

B. Rescue Squad Truck

The county entered into a capital lease with Branch Banking and Trust Company for a rescue squad truck on October 3, 2002, for \$20,000 at a fixed interest rate of 4.03%. The principal outstanding as of June 30, 2003 was \$20,000. Future lease principal and interest requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
2004	\$ 806	\$ 4,708
2005	665	4,866
2006	420	5,110
2007	<u>214</u>	<u>5,316</u>
Totals	<u>\$ 2,105</u>	<u>\$ 20,000</u>

Note 5. Related Party Transactions

Livingston County Fiscal Court participated in the following related party transactions.

During the fiscal year, the County conducted business with I. H. Crouch General Dentistry for dental services at the jail. Ivus Crouch, Livingston County Magistrate, filed a statement of financial disclosure with the Livingston County Ethics Committee stating that he had an interest of ten thousand dollars (\$10,000) at fair market value or five percent (5%) ownership interest or more during the preceding calendar year. Fees charged by I. H. Crouch General Dentistry were reimbursed to the county jail fund.

The Livingston County Ethics Committee met on May 16, 2003 to review the statement of disclosure forms. The committee concluded that the forms were in good order.

Note 6. Commitments and Contingencies

Livingston County co-signed a loan for the Ledbetter Sanitation District for \$35,000 on November 24, 1999. The loan was with the Kentucky Area Development Districts Financing Trust. The note expires December 1, 2004.

Note 7. Insurance

For the fiscal year ended June 30, 2003, Livingston County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

LIVINGSTON COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

For The Fiscal Year Ended June 30, 2003

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Types</u>			
General Fund	\$ 1,273,416	\$ 1,133,782	\$ (139,634)
Road and Bridge Fund	1,077,879	1,048,570	(29,309)
Jail Fund	67,401	52,360	(15,041)
Local Government Economic Assistance Fund	369,429	339,322	(30,107)
Occupational Tax Fund	1,472,402	1,588,885	116,483
Kentucky Land Heritage Fund	579,840	1,800	(578,040)
<u>Special Revenue Fund Type</u>			
911 Fund	500,000	60,644	(439,356)
<u>Capital Projects Fund Type</u>			
Federal Grant Fund	<u>73,707</u>	<u>76,871</u>	<u>3,164</u>
Totals	<u>\$ 5,414,074</u>	<u>\$ 4,302,234</u>	<u>\$ (1,111,840)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 5,414,074
Add: Budgeted Prior Year Surplus			1,267,941
Add: Borrowed Money			500,000
Less: Other Financing Uses			<u>(508,000)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 6,674,015</u>

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SCHEDULE OF OPERATING REVENUE

LIVINGSTON COUNTY
SCHEDULE OF OPERATING REVENUE

For The Fiscal Year Ended June 30, 2003

Revenue Categories	GOVERNMENTAL FUND TYPE			
	Totals (Memorandum Only)	General Fund Types	Special Revenue Fund Type	Capital Projects Fund Type
Taxes	\$ 1,505,649	\$ 1,445,069	\$ 60,580	\$
In Lieu Tax Payments	198,309	198,309		
Excess Fees	46,718	46,718		
Licenses and Permits	12,118	12,118		
Intergovernmental Revenues	1,555,729	1,478,858		76,871
Charges for Services	756,889	756,889		
Miscellaneous Revenues	184,643	184,643		
Interest Earned	42,179	42,115	64	
Total Operating Revenue	<u>\$ 4,302,234</u>	<u>\$ 4,164,719</u>	<u>\$ 60,644</u>	<u>\$ 76,871</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

LIVINGSTON COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

For The Fiscal Year Ended June 30, 2003

Expenditure Categories	GENERAL FUND TYPES		
	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 843,856	\$ 566,195	\$ 277,661
Protection to Persons and Property	988,111	965,546	22,565
General Health and Sanitation	969,968	785,799	184,169
Social Services	32,040	7,583	24,457
Recreation and Culture	37,400	14,673	22,727
Transportation Facilities and Services	6,020	6,020	
Roads	1,183,999	1,124,974	59,025
Debt Service	7,500	4,275	3,225
Capital Projects	646,889	1,880	645,009
Administration	1,328,214	458,898	869,316
Total Operating Budget - General Fund Types	\$ 6,043,997	\$ 3,935,843	\$ 2,108,154
Other Financing Uses:			
Borrowed Money-			
Kentucky Advanced Revenue Program - Principal	500,000	406,000	94,000
Capital Lease on Voting Machines-			
Principal on Lease	8,000	7,000	1,000
TOTAL BUDGET - GENERAL FUND TYPES	<u>\$ 6,551,997</u>	<u>\$ 4,348,843</u>	<u>\$ 2,203,154</u>

LIVINGSTON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 For The Fiscal Year Ended June 30, 2003
 (Continued)

SPECIAL REVENUE FUND TYPE			
Expenditure Categories	Final Budget	Budgeted Expenditures	Under (Over) Budget
General Government	\$ 50,207	\$ 50,207	\$
Protection to Persons and Property	15,000	14,828	172
Administration	64,811		64,811
TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	\$ 130,018	\$ 65,035	\$ 64,983

CAPITAL PROJECTS FUND TYPE			
Expenditure Categories	Final Budget	Budgeted Expenditures	Under (Over) Budget
Social Services	\$ 500,000	\$ 76,871	\$ 423,129
TOTAL BUDGET - CAPITAL PROJECTS FUND TYPE	\$ 500,000	\$ 76,871	\$ 423,129

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Christopher K. Lasher, Livingston County Judge/Executive
Members of the Livingston County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Livingston County, Kentucky, as of and for the year ended June 30, 2003, and have issued our report thereon dated March 5, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Livingston County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Livingston County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Audit fieldwork completed -
March 5, 2004

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

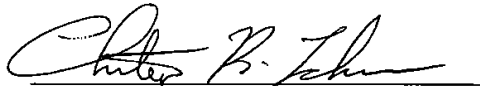
LIVINGSTON COUNTY FISCAL COURT

For The Fiscal Year Ended
June 30, 2003

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
LIVINGSTON COUNTY FISCAL COURT

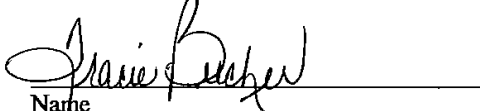
Fiscal Year Ended June 30, 2003

The Livingston County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer

